

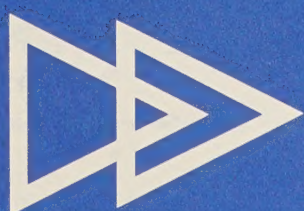
SISCOE MINES LIMITED AND
SUBSIDIARY COMPANIES

**Consolidated Statement of Source and
Application of Funds**

For the six months ended June 30th, 1969
(with comparative figures for 1968)

Working Capital at beginning of period	1969 <u>3,618,570</u>	1968 <u>5,131,638</u>
Source of Funds:		
Funds provided from operations:		
Net income for the period	883,478	599,002
Expenses not requiring a current cash outlay:		
Depreciation and depletion	46,752	24,259
Special refundable tax refunds	5,262	<u>2,802,900</u>
Long term debt	<u>935,492</u>	<u>3,426,161</u>
Total Funds provided		
Application of Funds:		
Increased investment in and advances to other mining companies	35,121	69,774
Investment in and advances to non-mining companies	275,250	—
Investment in non-mining properties	535,096	3,623,674
Deferred exploration expenditures	103,213	—
Investment in joint venture	—	2,000
Additions to fixed assets and oil and gas equipment ..	273,977	20,442
Special refundable tax payments	—	5,082
Long-term debt due within one year	13,180	—
Deposits with Provincial Government	24,062	<u>175,000</u>
Dividends declared	175,000	3,895,972
Total Funds Used	1,434,899	
Working capital increase (decrease)	(499,407)	(469,811)
Working capital at end of period	<u>3,119,163</u>	<u>4,661,827</u>

SISCOE
MINES
LIMITED



INTERIM REPORT
TO SHAREHOLDERS

For the Six Months Ended June 30th, 1969

August 20th, 1969

To the Shareholders:

Net Income for the six month period ended June 30th, 1969, was \$883,478 compared with \$599,002 for the similar period in 1968. While silver production was down slightly from 468,239 ounces to 424,578 ounces, operating revenues for the silver mine showed a substantial decline from \$1,299,024 to \$849,172 because of the lower price received for silver during the period. Net Income increased from \$599,002 or 11.98 cents per share to \$883,478 or 17.67 cents per share. This was entirely due to a substantial increase in gains on sales of investments during the period. It is unlikely that this will recur in the second half in view of the present outlook for the market.

At the Manridge Mine underground development is proceeding satisfactorily and it is expected that ore will be shipped to the Siscoe mill commencing in late October. At the Tonopah Mine a connection has been made between the 650 foot level of the Siscoe main workings and the 480 foot level of the Tonopah workings. These workings have been de-watered and a diamond drilling programme both from underground and surface is being carried out.

Exploration activities have been increased with a large number of projects under way. Siscoe has a 50% interest in two permits covering 637 square miles in the Wollaston Lake area of Saskatchewan where a ground geological mapping and prospecting programme is under way. The Company has also a 50% interest in 155 claims in the Gaspé area of Quebec on which geo-chemical and geo-physical surveys are being conducted. Geo-physical surveys

completed on the 2100 acre copper-gold-silver prospect in Eastern Ontario have warranted additional diamond drilling which will be undertaken this fall. Field reconnaissance programmes are being carried out in Central America and the Yukon. Geo-chemical surveys are also under way on a large claim group in the Gogama area of Ontario.

Development of the Company's hotel and real estate ventures is proceeding on schedule and it is expected that these ventures will contribute significantly to income in 1970 and succeeding years.

On behalf of the Board of Directors,

G. T. SMITH

President

SISCOE MINES LIMITED AND SUBSIDIARY COMPANIES

Consolidated Statement of Profit and Loss

For the six months ended June 30th, 1969
(with comparative figures for 1968)
(unaudited)

	1969	1968
Operating Revenue		
Gross metal recovery	849,172	1,299,024
Oil and gas revenue	64,886	34,713
Other income	140,836	67,566
	<u>1,054,894</u>	<u>1,401,303</u>
Other Revenue		
Net Gain on sale of investments	826,148	226,071
	<u>1,181,042</u>	<u>1,667,374</u>
Operating Expenses		
Smelting	85,495	92,119
Marketing	10,100	11,353
Mining	231,771	210,656
Exploration & Development	139,025	144,047
Milling	75,083	69,307
Mine overhead	61,065	60,627
Outside exploration	85,736	113,529
Royalties	36,000	19,500
Administrative expenses	204,968	163,227
Income and mining taxes	21,569	159,748
	<u>950,812</u>	<u>1,044,113</u>
Profit	<u>930,230</u>	<u>623,261</u>
Non-Cash Write-Offs		
Depreciation	43,165	23,130
Depletion	3,587	1,129
	<u>46,752</u>	<u>24,259</u>
	<u>\$ 883,478</u>	<u>\$ 599,002</u>
Net Income per share	.1767¢	.1198¢
Cash flow per share	.1860¢	.1247¢
Production of silver-ounces	424,578	468,239

